

CITY ATTORNEY

Office Automation (+\$553,000)

In Fiscal Year 1998, the installation of the third and final phase of the microcomputer network in the City Attorney's Office will be completed. Phase Three will cost \$300,000, and will include purchase of hardware and software for the prosecution units within the Criminal Division. In Fiscal Year 1998, the Civil Division will be implementing a new case/matter management software program which will increase efficiencies in case management. The additional cost above includes two technicians and clerical support, which will staff this system.

Neighborhood Policing (+\$86,000)

The City Attorney's Office, through its Neighborhood Policing Section, prosecutes persons arrested resulting from Problem Oriented Policing (POP) projects that combat illegal lodging, lewd acts, car club racing, illegal possession of shopping carts, loitering for prostitution, loitering for drug activity, and excessive false alarms. The City Attorney will add a Deputy City Attorney position to its Neighborhood Policing Section. This represents further development of a problem-solving philosophy that stresses pro-action and early intervention.

Drug Abatement Response Team (DART) (+\$86,000)

The City Attorney's Office has assisted in abating illegal drug activity in dozens of drug properties as part of the City's Drug Abatement Response Team. In order to increase the drug abatement caseload and to expand the scope of the public safety concerns being addressed, the City Attorney will add a Deputy City Attorney position to this effort. These deputies will prosecute cases involving gang abatements and public nuisances caused by criminal activity.

In-House Counsel for Retirement Board (-\$111,000)

To alleviate the potential conflict of interest arising out of the City Attorney's representation of both the City and the Retirement Board at hearings, the Retirement Board will be hiring its own in-house counsel. This

represents a reduction of one Deputy City Attorney position and clerical support in the City Attorney's Fiscal Year 1998 budget.

CITY CLERK'S OFFICE

Legislative Information System (+\$125,000)

In Fiscal Year 1998, funding of \$125,000 has been included in the City Clerk's budget for upgrading the current Legislative Information System (LEGIS) computer system. This will support the department's goal of providing on-line access to public information over the Internet. The distribution of information to both City departments and the community will be greatly enhanced by utilizing state-of-the-art technology.

CITYWIDE

Community Service Centers (+\$401,000)

The City of San Diego currently has four fully operational Community Service Centers located in the communities of Mid-City, Chollas View, Rancho Bernardo, and Otay Mesa. These Centers provide information and services to their respective communities in an effort to increase accessibility and to improve the efficiency of City service delivery.

In Fiscal Year 1997, funds were budgeted to increase the number of Community Service Centers by five. The new centers will come on-line in the summer of 1997. In Fiscal Year 1998, an additional \$401,000 has been budgeted to annualize the cost of the Fiscal Year 1997 Centers and expand the number of Community Service Centers from nine to thirteen.

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

Naval Training Center (+\$330,000)

In 1993 the Federal Base Realignment and Closure Commission (BRAC) recommended closure of the Naval Training Center (NTC) in San Diego. On April 30, 1997, the NTC ceased its military function and was turned over to the Southwest Field Division, which will

serve as caretaker of the Property until it is conveyed at the end of the reuse planning process. City Staff has continued to work with the Navy, the local BRAC office, and the Department of Defense on the reuse of the NTC. In Fiscal Year 1997, NTC was adopted as a Redevelopment project area.

The Fiscal Year 1998 Proposed Budget allocates \$330,000 to the NTC project for activities associated with preparing and processing tentative maps of the area, and precise plans for the Waterfront Recreation Subarea and the Historic Core, for property appraisals and for implementing the marketing strategy. A grant from the Federal Office of Economic Adjustment will provide an additional \$557,000 for staff and for consultant contracts associated with finalizing the Reuse Plan and developing a marketing program and strategy. The \$330,000 will be transferred to the Redevelopment Agency as a loan, which will be repaid from future tax increment.

Multiple Species Conservation Program

The Multiple Species Conservation Program (MSCP) is a proactive cooperative effort in San Diego for protecting the existing natural habitats while accommodating development necessary for the economic health of the City. The MSCP Plan will reduce the need for endangered species act regulation by the federal and state governments on individual property owners in the City.

The current process of environmental review and protection is costly and time consuming for developers and ineffective in establishing an interconnected system on conserved habitat. Upon the signing of the City's Implementing Agreement, the federal and state wildlife agencies will delegate to the City the authority to implement requirements of endangered species acts as part of the local land use decision making process, thereby eliminating years of state and federal permit processing for individual projects. With the assurances for property owners clearly established, a definite preserve design, and commitments for fair share funding from the state and federal governments, the MSCP is truly a win-win for all participants as well as the remaining natural habitats within the City.

Implementation of the MSCP, as required by the Implementing Agreement, involves: rezonings; training of City staff and public education; preserve assembly through project review, mitigation and acquisitions; habitat management; annual reporting; biological monitoring; creation of a local funding source; and program administration. In addition to the

staffing cost for plan implementation, it is estimated that approximately \$30 million dollars will be required for acquisition of approximately 2,400 acres of critical habitat. Acquisition will be phased at an amount of \$2.5 million a year until a local/regional funding source has been approved.

DEVELOPMENT SERVICES

Process 2000

Process 2000 was developed to help the City of San Diego review construction and development projects for safety, environmental, and community concerns. Process 2000 establishes a single point of contact for the customer in the form of a Project Manager and includes new technology applications that allow development reviews to progress in a predictable, timely, and coordinated manner.

A Process 2000 System Improvement Charge authorized by City Council applies a temporary 5% surcharge on land development permits (excluding single family owner occupied remodels) to partially fund new equipment and programming for Process 2000. This charge began on September 5, 1995 and will be in effect for four years, or until \$3.5 million is collected. For Fiscal Year 1997, \$1.5 million in surcharge fees are projected to be collected. It is estimated that an additional \$875,000 in surcharge funds will be collected in Fiscal Year 1998.

For Fiscal Year 1998, the System Improvement Charge funds will be expended on the project tracking system, Automated Infrastructure Mapping, and the purchase of computers. The project tracking system will allow staff to coordinate the review of projects by all reviewers and will be functional in the summer of 1997. Three geographic areas have been converted to automated mapping accessible by computer in Fiscal Year 1997. Four additional geographic areas will be converted in Fiscal Year 1998. This equates to a total of 23% of the City's area. This area contains 40% of the City's total development activity. Additional computers, to access Process 2000 new technology by the project reviewers, will be purchased as Process 2000 expands Citywide. Project Managers will be assigned to all development projects by the summer of 1997.

ENVIRONMENTAL SERVICES DEPARTMENT

Curbside Greenery Expansion (+\$727,000)

In an ongoing effort to divert greens material from the waste stream to preserve valuable landfill space and ensure the City meets Assembly Bill 939 requirements, an addition of \$727,000 is proposed in Fiscal Year 1998 to expand greenery collection to an additional 20,000 households. By the end of Fiscal Year 1998, a total of 150,000 households Citywide will have curbside greens collection service. This expansion is projected to increase greens collection to 47,380 tons annually, an increase of 8,600 tons from Fiscal Year 1997. The collection of this additional greens material will enable the General Fund to avoid approximately \$275,000 in waste disposal fees during Fiscal Year 1998, which is reflected in the Proposed Budget.

Expansion of the program will occur Citywide which will allow the Environmental Services Department to target areas that produce the highest volume of greens material. Customers involved in the expansion of the Curbside Greenery Recycling Program will receive containers for greens materials. Therefore, the need for additional automated containers for general refuse disposal will be decreased.

Automated Refuse Collection Expansion (-\$1,000,000)

In 1994, the City Council adopted the Automated Refuse Collection Program to be implemented over five years to provide automated collection to the 300,000 households and small businesses serviced by the Environmental Services Department-Refuse Collection Division. By the end of Fiscal Year 1997, 150,000 households will receive automated collection service. As the Automated Refuse Collection Program expansion continues forward to service an anticipated 70,000 additional households in Fiscal Year 1998, operational efficiencies will result in a reduction of 14.33 positions. The Program has resulted in both budgetary savings and avoidance of increased costs associated with a manual refuse collection program. Since its inception, personnel and equipment related costs have been reduced by approximately \$2.2 million. It is expected that the program will reduce City refuse collection costs by a cumulative \$18 million dollars over an initial ten-year period.

The Automated Refuse Collection Program has resulted in increased staff productivity, reduced staffing, and equipment needs, with only one lost time injury resulting from the automated collection process. In Fiscal Year 1995, the Refuse Collection Division reported 248 lost time injuries, and in Fiscal Year 1996, this figure dropped to 200, a 19.4% decrease from the previous year. The division estimated a total of 125 injuries for Fiscal Year 1997, representing a 37.5 % decrease in injuries and an anticipated savings of \$300,000. These figures demonstrate that the number of lost time injuries are decreasing with the continued expansion of automated collection and the corresponding reduction in manual refuse collection. It is anticipated that continued automated expansion will result in added savings from reduced lost time injuries. In addition, the division is participating in the FOCUS Program which has led to savings associated with the avoidance of lost time injuries.

FIRE AND LIFE SAFETY SERVICES

Reduction of One Fire Truck Company (-\$999,892)

Fire and Life Safety Services operates twelve first line truck companies. These companies are co-located with twelve engine companies. The basic function of a truck company is to provide rescue capabilities in fire fighting operations. This task is accomplished by providing large aerial ladders, along with a large complement of ground ladders, and a wide variety of tools and equipment utilized by the crews for forcible entry, rescue, ventilation, vehicle extrications, salvage, and as an elevated base for water streams.

Currently, twelve truck companies are located with engine companies, in double house stations with eight fire personnel assigned to each station on a 24-hour basis. The proposed reduction will eliminate the equivalent of 1.13 truck companies. However, trucks will remain with affected fire fighting crews. Based on the type of emergency call that is received, the remaining crews will provide an adaptive response and respond with either the engine or truck.

Responses to emergencies will be lengthened when one unit is needed while the crew is out of the station in the other unit. Although there would be a reduction in the number of on-duty fire crews available for

emergency response, all fire stations will remain open. The following positions will be reduced:

- Fire Captain (3.73)
- Fire Engineer (3.69)
- Fire Fighter II (7.29)

Paramedic Assessment Engine Program (+\$1,036,000)

Fire and Life Safety Services established its Paramedic Assessment Engine Program in October, 1991. The program provides for one firefighter/paramedic to be assigned to each of the 11 paramedic assessment engine companies. These engine companies are capable of providing Advanced Life Support (ALS) services, in addition to Basic Life Support (BLS) services. The program was subsequently expanded several times and now provides firefighter/paramedics on 21 engine companies.

As part of the new paramedic system design approved by the Mayor and City Council on July 1, 1997, Fire and Life Safety Services will expand the Paramedic Assessment Engine Program to all 43 engine companies in the City of San Diego. Each engine company will include one firefighter/paramedic to administer ALS services in addition to the Basic Life Support and emergency medical defibrillator services currently provided.

Cost estimates include the cost of two administrative staff, personnel costs related to training, certification requirements, proficiency pay, and non-personnel supplies and services. In addition, funding for a Medical Director (\$80,000), Administrative Aide (\$47,000), and support (\$33,000) was added to the Emergency Medical Services Program.

Personnel Expense:

+1.00 Fire Captain	(+\$80,000)
+1.00 Administrative Aide II	(+\$47,000)
Paramedic Proficiency Pay	(+\$596,000)
Recertification bonus	(+\$19,000)
Continuing Education	(+\$145,000)

Total Personnel Expense: (+\$887,000)

Non-Personnel Expense:

Supplies and Services	(+\$103,000)
Equipment Outlay	(+\$17,000)
Phone/Computer Support	(+\$29,000)

Total Non-Personnel Expense: (+\$149,000)

TOTAL PROGRAM EXPENSES: \$1,036,000

Management Cuts (-\$131,000)

In response to the Citywide restructuring effort initiated by the City Manager in November, 1994, Fire and Life Safety Services has eliminated 1.00 Assistant Fire Chief. The responsibilities, duties, and authority formerly held by that position have been realigned among the Chief Operations Deputy and Deputy Fire Chief levels.

LIBRARY DEPARTMENT

New Facilities (+\$608,000)

For Fiscal Year 1998, there is a proposed increase to the current level of funding for positions and support required to operate the following new facilities: City Heights Branch Library, which is scheduled to open in the last quarter of Fiscal Year 1998 and City Heights Black Box Theater, which is also scheduled to open in the last quarter of Fiscal Year 1998.

For Fiscal Year 1998, there is also a proposed increase to the current level of funding to annualize positions and support related to operating the following branch library facilities built in previous fiscal years: Carmel Mountain Ranch Branch Library, which opens in May 1997; Earl and Birdie Taylor (Pacific Beach) Branch Library, which opened in April 1997; and Rancho Bernardo Branch Library, which opened in June 1996.

METROPOLITAN WASTEWATER DEPARTMENT (MWWD)

Sewer Overhead Reductions (-\$1,000,000)

The Metropolitan Wastewater Department reached the peak of activity in the construction program during Fiscal Year 1997. As construction activity falls off, the need for specialized support from other City Departments is reduced. MWWD has conducted a reassessment of its needs in cooperation with other City Departments. This reassessment has resulted in a proposed reduction of approximately \$1,000,000 from the MWWD Fiscal Year 1998 Budget for support from other departments (equivalent to 10.00 positions). Savings through Fiscal Year 2003 or completion of Phase I of the project will total \$ 6,300,000.

Sewer Expenditure Cuts (-\$10,916,500)

In addition to the proposed reductions previously noted, the City Council previously approved cost reductions in the Metropolitan Wastewater Department for Fiscal Years 1996 and 1997. In Fiscal Year 1996 Council approved reductions in chemical purchases, sludge hauling fees, and energy

costs totaling \$74,100,000 through Fiscal Year 2003. These reductions eliminated the need for a six percent rate increase. In Fiscal Year 1997, Council approved additional reductions totaling \$30,000,000 through Fiscal Year 2003. These reductions which were made in the areas of sludge hauling costs, contractual services, overhead accounts, Fiesta Island rent, staff reductions, and various operating reserves, allowed Council to reduce sewer capacity charges from \$6,998 per equivalent dwelling unit (EDU) to \$2,500 per EDU. The Operations and Maintenance Division of MWWD is presently participating in the Competition Program and it is anticipated additional costs savings will be identified with the completion of this effort.

MISCELLANEOUS

Super Bowl (+\$650,000)

The Fiscal Year 1998 Proposed Budget includes anticipated revenues, and expenditure requirements as a result of hosting Super Bowl XXXII. Revenues totaling \$2.5 million are projected to be generated by the economic activity resulting from the Super Bowl, and are expected to be realized within the Sales Tax and Transient Occupancy Tax revenue categories. These revenues will be deposited directly and maintained in the Stadium Special Ticket Guarantee Reserve Fund.

Expenditure requirements reflected in the Fiscal Year 1998 Proposed Budget include:

- \$250,000 for Stadium-related expenses, which may include event personnel costs and temporary seats

- \$300,000 for Police and Fire Overtime
- \$100,000 from the Major Events Revolving Fund for Super Bowl planning and coordination.

Staff and Management Cuts

A comprehensive restructuring effort was initiated by the City Manager in November 1994. The desired outcomes of the effort were to: provide for better coordination of services; respond to the demand for improved and more efficient services; recognize the similarities and relationships between departments and the functions they perform; and reduce costs. Additionally, it was essential for the City to move away from the traditional internal focused structure into a customer and community service focused business.

With the City facing budget constraints, it is important to position ourselves in a way that we maintain the services we provide at a reduced cost. Over the past several years, the City has made an effort to flatten the organization, reduce the number of layers of management and the amount of staff, and allow decisions to be made at lower levels within the organization. These changes emphasize the movement toward increasing teamwork and individual accountability, while increasing the City's efficiency and ability to be responsive to citizens. Since Fiscal Year 1992, 1,054.43 positions have been removed from General Fund departments. By category, these include 25.50 Managerial, 100.35 Supervisorial, 332.23 Professional, 217.28 Administrative Support, and 379.07 other positions.

STAFF AND MANAGEMENT REDUCTIONS (FISCAL YEARS 1992-1998)

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	TOTAL
Managerial	0.00	8.50	5.50	3.00	3.00	3.00	2.50	25.50
Supervisorial	0.00	26.93	42.50	9.31	8.83	9.05	3.73	100.35
Professional	77.15	102.36	61.50	25.05	38.44	9.00	18.73	332.23
Administrative Support	12.35	95.00	45.38	25.95	25.00	11.60	2.00	217.28
Other	23.05	108.48	145.54	40.00	13.00	33.92	15.08	379.07
TOTAL	112.55	341.27	300.42	103.31	88.27	66.57	42.04	1054.43

PARK AND RECREATION DEPARTMENT

Park and Recreation New Facilities (+\$1,233,000)

The following facilities were partially funded in Fiscal Year 1997 and have been annualized in the Proposed Fiscal Year 1998 budget: Ski Beach Comfort Station, improvements for Bonita Cove and Crown Point, Americans with Disabilities Act compliance, South Shores Phase II, Riviera Shores Walkway, Fiesta Island Youth Camp, Crown Point Comfort Station, South Shores Phase III Swimming Beach, Famosa Slough Management Plan, Mission Bay Restoration Phase II, Ocean Beach Athletic Field Comfort Station, Eel Grass Study, Hilltop Community Park, Scripps Ranch Village Phase II, Balboa Park East Mesa NE Corner, Otay Mesa Neighborhood Park, City Heights/Mid City Gym, Bay Terraces Community Park Comfort Station and Picnic Shelter, Carmel Mountain Community Park and Recreation Center, Bob Dingeman Elementary School Park, Sabre Springs Neighborhood Park, Westview (Hage) Neighborhood Park and Winterwood Lane Community Park Phase I.

Recreational opportunities in the City of San Diego will be increased with full or partial funding for new facilities scheduled for operation in Fiscal Year 1998. These facilities are as follows: Sunset Point Picnic Shelter; Ventura Point Picnic Shelter, Crown Point Picnic Shelter, De Anza Cove Picnic Shelter, Tecolote Shores Picnic Shelter, South Shores Landscaping, Sail Bay Landscaping and Lighting, Ocean Beach School Turf, Chavez Elementary School Turf, Kimbrough Elementary School Turf, City Heights Urban Village Swim Center, and Kumeyaay Campground and Day Use Facility.

Additional Recreation Center Staffing (+\$200,000)

Most Recreation Centers throughout the City have maintained the same staffing level for many years, while the number of programs offered and participants using the facilities has increased greatly. The proposed budget includes \$200,000 for additional recreation center staffing for some of the City's busiest recreation centers.

Park and Recreation Matching Funds (+\$100,000)

The Park and Recreation Department currently operates a \$300,000 matching fund program for park facilities throughout the City. This program solicits

community support for equipment, programs, and maintenance items by matching city funds with private donations. Items which have been purchased include a wide variety of sports equipment, games, material and equipment for crafts, weight room equipment, computers, park furnishings and many other critical items. Also, matching funds have been used for remodels, the portable pool program, and additional staffing.

This has been a very successful program, and requests for matching funds has exceeded the current \$300,000 budgeted allocation. The citizens have demonstrated their ability to raise funding with the assistance of the matching funds, and have expressed a desire for an increase in the allocation. An additional \$100,000 would increase the current program to \$400,000, which will enhance equipment, programs, and facilities for park users.

POLICE DEPARTMENT

Public Safety Ordinance (+\$5,088,000)

Based on a proposal by the Mayor to give priority funding of available resources for police protection, the City Council approved the Public Safety Ordinance (PSO) on May 24, 1993. Direction was given to the City Manager to include funds for this purpose in the Fiscal Year 1994 through 1998 Proposed Budgets based upon specific funding formulas. Through Fiscal Year 1997, a total of 175 police officers have been added to the Police Department's budget.

Because the City Council has placed such a high priority on public safety the City Council has approved adding 20 police officers in excess of what the Public Safety Ordinance dictates be added through Fiscal Year 1997.

For Fiscal Year 1998, the City Manager is recommending adding over \$5 million in additional funds for high priority Police Department needs. These additional funds are being utilized to fund 10 additional Police Officers, bringing the total number of police officers added under the Public Safety Ordinance to 185, or a total of 30 in excess of that required by the Ordinance.

Other additions include 15 Community Service Officers, 15.75 support positions, overtime, and associated support.

	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	TOTAL
PSO Requirement	26	41	50	8	30	155
Actually Added	95	45	14	21	10	185
Difference						+30

The PSO has had a positive impact on the Police Department's policing efforts. Increased staffing from the PSO made possible the expansion of the Narcotics and Domestic Violence Units. Investigation of drug sale complaints has increased from 40% in 1993 to 100% in 1996. Early intervention in domestic violence cases has led to a decrease in related calls for service from 14,598 in 1993 to 13,178 in 1996. Patrol response times for all categories of service calls have remained constant or decreased.

The Police Department also set a goal for patrol proactive time. Proactive time is that portion of a patrol officer's time which is not spent reacting to calls for service and which is used for proactive police work. The goal for this time remains 40%, and the current rate for proactive time is 34%.

Retired Senior Volunteer Patrol (+\$20,000)

The Retired Senior Volunteer Patrol (RSVP) serves all communities within the City of San Diego. The number of current members is approximately 400. Members donate their time to patrol as extra "eyes and ears" for the Police Department. In addition to being observers, the patrols handle duties which include vacation house checks, checks on elderly, disabled and convalescing persons, finger-printing, senior citizen safety talks, and crime prevention and "McGruff" presentations. Volunteers have been trained in problem-solving techniques and are an integral part of the Department's Neighborhood Policing philosophy. Each community RSVP program is a non-profit group which depends on donations from private citizens, local businesses and civic groups. The City incurs nominal expenses for maintenance of donated vehicles and miscellaneous supplies. Matching funds of \$20,000 are included in the Fiscal Year 1998 Proposed Budget for this Program.

TRANSPORTATION DEPARTMENT

Equipment Usage Rate Reduction (-\$864,000)

In Fiscal Year 1998, the rates charged to the General Fund departments for equipment usage will be reduced by \$864,000. \$5,000,000 of new equipment will be purchased through the Master Lease Program over a seven-year period.

As of December 1996, approximately 500 vehicles, or 29% of the General Fund fleet, were at least eight years old and most in excess of eleven years old, depreciated, and worn out. Frequent breakdowns of old equipment cause, not only higher maintenance costs, but also a higher level of downtime, which adversely impacts services to the community. The lease purchase will allow for the replacement of approximately 138 vehicles in the fleet for service provision to communities. The Park and Recreation Department, Transportation Department-Streets Division, and Real Estate Assets Department-Facilities Maintenance Division, are the primary recipients of the replacement equipment. The types of vehicles to be acquired include pickups, panel vans, service trucks, weed spray trucks, dump trucks, beach packers, beach tractors, and tractor lawnmowers.

Street Resurfacing (+\$3,231,000)

The Fiscal Year 1998 combined Gas Tax and TransNet Street Resurfacing Program Budget is proposed to total \$5,889,000. This total reflects a \$331,000 increase over the current level of funding. The increased funding will result in the resurfacing of an additional 4.1 miles of City streets, and will bring the total miles of City streets resurfaced through the use of contractual services to 73.6 miles. This level of resurfacing is expected to reduce the percent of travel that occurs on streets needing repair from 10.2% to 8.8%.

Locations for street resurfacing are selected through the use of the City's new Geographic Information System based Pavement Management System. The system uses surveys of City streets to determine their current condition, and to provide data to predict their future condition. Based upon this information, the system determines the best method to maintain each section of street and then reviews the entire City street system to determine the most cost effective schedule over a ten year period. The result of the system's selection process is a higher level of quality for the entire City street system.

In addition to the Fiscal Year 1998 Street Resurfacing Program Budget, some current year funds will be used to construct projects during Fiscal Year 1998. These projects include the resurfacing and slurry sealing of

City streets impacted by Metropolitan Wastewater Department's construction of over 45 miles of reclaimed water and sewer pipelines. Metropolitan Wastewater Department will contribute \$2.9 million of Fiscal Year 1997 funds to this project; Street Division will provide \$1.5 million from its Fiscal Year 1997 combined TransNet and Gas Tax Street Resurfacing Program Budget. These contributions will ensure a high quality and uniform restoration of the total street surface, including the street segments that are adjacent to the construction area.

Beach Area Sewer Intercept System (+\$556,500)

At thirty locations along the coast, storm drains empty onto City beaches. Polluted water coming from these drains poses a potential health hazard to both people and aquatic organisms. Closure of beaches has been necessary on occasions when polluted waters were present. To minimize these health hazards, and reduce beach closures, the Fiscal Year 1998 budget includes the first year of a proposed three year plan to design and construct connections between the Storm Drain and Sewer systems. These connections will intercept sewer spills, and other pollutants, which are carried in the storm drain system during periods without rainfall. During Fiscal Year 1998, \$556,500 of Storm Drain Fee funding has been proposed to provide for design and the beginning of construction of seven of the thirty identified locations. The seven locations planned to be addressed during Fiscal Year 1998 are Tourmaline Canyon, Bonair, South of Vista de la Playa, Ravina, Coast Boulevard, Avenida de la Playa, and Vallecitos.

REAL ESTATE ASSETS

Rent for Airports Property (+\$176,000)

For Fiscal Year 1998, fair market rent has been included in the Police, Engineering and Capital Projects, and Fire Department budgets for three parcels of Airports' properties on which these departments have constructed facilities. Receipt of these funds will increase Fiscal Year 1998 revenues for Airports Division. Federal Aviation Administration grant assurances and regulations require that airports receive fair market rent for all parcels. Based on recent appraisals of the properties they occupy, \$114,800 for the Police Department, \$54,000 for the Engineering and Capital Improvements Department and \$7,425 for the Fire Department have been included in the Fiscal Year 1998 Proposed Budget.

Airport Efficiencies (+\$500,000)

The Airports Division completed a competitive assessment in Fiscal Year 1997 after nearly a two year effort. Since then, the division staff has reorganized and successfully contracted services, reduced costs, and increased revenues so that Brown Field is practically self-sufficient and the airport fund balance has increased by over \$500,000, to \$800,000. The Competition Program has allowed the division to become more than successful in demonstrating its efficiency while providing a superior level of service to the public. During Fiscal Year 1998, negotiations will continue for the lease of over 400 acres at Brown Field as well as three major remaining parcels totaling 33 acres at Montgomery Field. An improved instrument approach procedure (Global Positioning System) has been approved for Brown Field, improved radar equipment (BRITE System) will be installed in the Federal Aviation Administration Tower at Brown Field, automatic weather systems will continue to be tested and improved at both airports, and community opposition to City airports continues to diminish. Several capital improvement projects will be undertaken, including the completion of the taxiway system and a comprehensive runway overlay at Brown Field. The City Airports are in a healthy operating and financial condition.

RISK MANAGEMENT

FOCUS Program (savings of \$310,000)

The FOCUS Program, which was initiated July 1, 1999, is a proactive, cost containment program established to reduce injuries and costs associated with Workers' Compensation, Industrial Leave, and Light Duty. In 1997, the program involved a partnership between the Risk Management Department and three major operating departments, including Environmental Services, Park & Recreation, and Transportation. The FOCUS Program combines a comprehensive accident and injury prevention program with an aggressive Workers' Compensation case resolution program.

Based upon seven months of data, the FOCUS Program is projected to achieve first-year savings of \$951,705, including \$781,827 in the Workers' Compensation Fund and \$169,878 in departmental Industrial Leave funds. In Fiscal Year 1997, injuries are expected to be reduced by 205, or 30%, in the three FOCUS departments. The FOCUS Program is also resolving the long-term light duty issue and increasing efficiency by rapidly returning employees to work or facilitating rehabilitation. In Fiscal Year 1998, the program is expected to maintain the Fiscal Year 1997

costs savings of \$951,705 and injury reduction of 205, as well as achieve an additional \$310,000 in savings and a reduction of 80 more injuries.

WATER DEPARTMENT

Water Department Expenditure Reductions (-\$8,100,000)

As a result of the Zero Based Management review, the Charter Section 128 Investigation, the Competition Program, and ongoing efforts to streamline the Water Department's operations, the Fiscal Year 1997 budget is proposed to be reduced by \$8,100,000 from the Fiscal Year 1997 budget level. The proposed reductions are in the following areas:

- City workforce (\$2,300,000)
- Transfer of the Aquaculture Plant to the Metropolitan Wastewater Department (\$1,800,000)
- Transfer of data processing expenses to Sewer Fund (\$1,500,000)
- Department-wide support (\$500,000)
- 42.50 positions for operational efficiencies (\$500,000) *
- Installation of energy efficient equipment (\$500,000)
- Institution of refuse recycling (\$500,000)
- Motive equipment fleet (\$300,000)
- Equipment outlay (\$200,000)

** Position savings of \$1,800,000 are offset by salary/fringe benefit increases of \$1,300,000.*

Water Overhead Reductions (\$282,639)

In order to minimize overhead expenses to water rate payers, the Water Department has made a thorough review of services provided by other City departments. Reductions have been made in many areas. This review has resulted in a proposed reduction of approximately \$282,639 and 10.00 positions from the Water Department Fiscal Year 1998 Budget for support from other departments.

REVENUE

New State Revenue (+\$4,900,000)

The political climate in Sacramento seems favorable to the idea of returning some of the revenue shifted to the state in the early 1990's back to the cities. The legislative discussions in Sacramento have centered on the Educational Revenue Augmentation Fund (ERAF), fines and forfeitures, and the allocation of sales and use tax money. Several bills have been introduced that, if approved, will provide additional revenue for cities throughout the State of California.

The Intergovernmental Relations Department is currently pursuing state legislation which could positively impact revenues received by the City of San Diego. The Fiscal Year 1998 Proposed Budget includes \$4.9 million in revenue relating to this legislation.

• ERAF

Since Fiscal Year 1993, the State of California has annually diverted a portion of local property taxes to fund public education through the creation of ERAF. There are several proposals in the Legislature to put a cap on future shifts and to eventually eliminate the shifts entirely. At the time of the ERAF shift, the law stated that once school districts reached basic aid, the taxes above the basic aid level would be returned to local agencies. If enacted, these proposals would have a positive impact on local revenue beginning in Fiscal Year 1998.

• Sales and Use Tax

Senate Bill 110 would change the procedures for allocating use tax (i.e., taxes on goods purchased outside California but used in the state) and provide local governments with greater access to State Board of Equalization (SBE) records relating to sales tax allocation. The proposed Dills legislation will attempt to create SBE policy stating that if the sales desk is in California and shipped to a California customer, no matter where it is shipped from, it is a sales tax. If the sales desk or storage facility isn't located in California then the sale would be a use tax. It is anticipated that these changes would result in increased sales tax revenues for the City.

• Vehicle Code Violations

Another proposal in the legislature suggests that the City receive a greater share of the revenue generated from vehicle code violations instead of the current 50% of the base fine.

Parking Meter Districts (+\$685,000)

The Parking Meter Revenue and Expenditure Program funds activities that increase the availability, supply, effective use and promotion of the parking supply. During Fiscal Year 1997 budget deliberations, the City Council voted to allocate 15% or approximately \$615,000 of the estimated Fiscal Year 1997 Parking Meter Revenue of \$4.1 million, to establish Parking Meter Districts. On an annual basis, \$245,000 will be set aside from the district allocations to cover a five year lease/purchase agreement for converting the entire City to electronic meters. The net income to the districts for Fiscal Year 1997 was estimated at \$370,000.

On March 4, 1997 the City Council adopted Policy 100-18 entitled Parking Meter Revenue and Expenditure, which allows for the creation of the districts and allocates 30% of Fiscal Year 1998 Parking Meter revenue (estimated at \$1,300,000) and 45% of Fiscal Year 1999 Parking Meter revenue.

The annual work plan for Fiscal Year 1997 and Fiscal Year 1998 is being formulated for City Council approval by district advisory boards designated in the policy. Recommendations will include short, medium and long-term strategies, as well as establishment of operating and capital expenditure reserves. Stickers on the meters will advertise that a portion of the money collected is being reinvested in the districts.